

TRANSCRIPT OF REMARKS BETWEEN SENATOR DWORSHAK AND MR. RICHARD
McARDLE, CHIEF, FOREST SERVICE; SUBCOMMITTEE ON INTERIOR OF
THE COMMITTEE ON APPROPRIATIONS, MARCH 12, 1962

Senator Dworshak. Mr. McArdle, I also share the sentiments expressed by my colleagues on this subcommittee in giving recognition to your decade of leadership as Chief of the U. S. Forest Service. I am sure that after all these years, in fact 39 that you have just indicated, of service, you were somewhat reluctant to leave. But I am also sure you look back over your extensive service with the satisfaction that you have upheld the professional ideals of your work.

I suppose as you look back in the past decade when you were Chief, you have observed that your budgets have increased quite rapidly, commensurate with the Operation Outdoors. And more important, I think, than any of your other accomplishments, at least so far as I am concerned, is the fact that you have made a sincere and quite successful effort to uphold the traditions of multiple use of our natural resources.

And I note that on page 1 of your justifications, in referring to the management, protection, and development of the National Forests and the national grass lands, you call attention to 186 million acres of National Forests and grass lands being managed under the multiple uses, and for sustained yield.

Under these principles, natural resources of outdoor recreation, range, timber, watershed, and wildlife are utilized in a fine combination that will best meet the needs of the nation without impairing productivity of the land.

I know you have been dedicated to that principle; and the progress which has been made, especially during the past ten years of your leadership, reflects a very fine degree of success.

Without wanting to embarrass you in any way, I wonder if you cannot look back and tell us whether you feel that problems have increased or decreased in this very material expansion of the Forest Service program.

Mr. McArdle. Thank you, Senator Dworshak, for giving me credit, which I personally feel I do not deserve, but I am human, and I am glad to hear it.

To answer your question, I think I would have to say that our problems have increased tremendously during this period, and we welcome those, because it means that the American people are using the lands that they own, and that they are being made available to them. They are being made available to more people for more different kinds of uses than heretofore.

We think that is exactly the way it should be. And our ambition is to make these lands even more available. So with people come problems, and in the future we shall have many more problems.

Senator Dworshak. I presume that you realize the assaults being made upon our public lands for single purpose use, and you do feel that there is the need of maintaining the full utilization for forest lands. For instance, reference was made a few minutes ago by Senator Mundt to the development of recreational facilities in National Parks. Is it not true that you have more visitors to use your facilities within the National Forests for recreation purposes than the Park Service does?

Mr. McArdle. I think that is correct, Senator, but I think we also have to remember in fairness to our sister agency, that the National Forests encompass a great deal more acres than the National Parks.

I think it is quite proper that certain of our public lands that contain outstanding scenic resources be restricted in their public use, but the National Forests, although they contain many outstanding scenic resources, also have large areas which, as you know, can serve a variety of purposes, and we are trying to do that.

I have had requests, Senator, from individual user groups who want to bolt down one particular use over large areas of the National Forests, priority use over all other uses, and I once added up all of these requests, and they totaled more than 186 million acres of the National Forest system. So it seems to us that as time goes on, and we have only just this much land in this country from which we get all of our food and clothing, and so on, as I mentioned earlier, if you looked at a map of the United States, since we are not an aggressor nation, this land at the end of this century, let us say, is all the land we are going to have then -- what we have now. And a lot of the productivity, the most productive land, is going into super highways, into uses that have to be single uses.

And so we have thought if we are going to have twice as many people by the end of this century, needing more and more and more of everything, from just so much land, we will have to get as much use out of that land as possible. And that, I think, is what you had in mind in emphasizing this principle of multiple use management. We can use it, utilize that principle, but there will be other types of land use which cannot so well use it. I mentioned road construction as one example.

Senator Dworshak. I am in accord with your comments stressing the multiple uses, because, as you know, in Idaho we have about 20 million acres of U. S. forest land, or more than 10 per cent of the total, and the effective and efficient and full utilization of those forests mean a great deal to the economy of our state.

Now, leading up to what I want to ask now, I must refer to a conference which was held in the office of the Secretary of Agriculture last month when representatives of the forest industry came to the Capital to discuss some of the problems of that industry. I made a check to see whether the Forest Service had any representative present, and I believe that you did not have anybody present at that conference in Secretary Freeman's office.

Mr. McArdle. No, sir. But the Executive Committee, as you might say, of that group, had met with us a few days previously on precisely the same subject, and using the same material.

Senator Dworshak. Well, that gave you a comprehensive understanding of some of those problems, then, of the lumber industry. And I want to ask primarily for the record three or four questions dealing with some of those problems and programs.

First, will you furnish for this record the amount in board feet of the allowable cut of timber in each U. S. forest in Idaho for the past year, and the amount actually put up for sale and the amount sold?

Of course, you realize that when the industry is depressed, so far as prices and demand are concerned, it would not be economically sound to expand the marketing of timber. But at the same time, with trees growing older just like we grow older, you have to have a program providing for the taking care of stumpage that may become overripe. That is true, is it not?

Mr. McArdle. That is correct, yes, sir.

Senator Dworshak. And you are well aware of the importance of meeting your allowable cut requirements so far as possible? What are they today?

Mr. McArdle. We will be glad to insert that information, Senator, but I hope you will bear in mind that our estimates of allowable cut, which is the amount that could be cut each year, without destroying the production of the forest to stay on an even sustained yield level -- in figuring those allowable cuts, we include everything, including the timber, which today is not accessible. So that to some extent an allowable cut estimate is not as realistic as we would like to have it. But it does indicate the goal toward which we are working.

Senator Dworshak. You are constantly trying to get access roads and trails that will make more accessible some of the more isolated stands of timber, which are possibly over-ripe?

Mr. McArdle. Yes, and, Senator, I think this may be in part what you are thinking. Let me express, since I will not be meeting with you again, a very strong personal feeling, which I know is shared by my successor:

These lands are for use, Timber use is one of the important uses. Our future, in making management of these lands successful, hinges to a considerable extent on having a strong and prosperous forest industry. We cannot have a strong program of forest conservation in this country without a strong and prosperous industry. And likewise we cannot have a strong and prosperous forest industry without a strong program of forest conservation.

So when the timber industry in this country suffers -- and this is particularly true in the five Western states, where three-fourths of National Forest timber cut is harvested today -- when they suffer, we suffer, and when they prosper, we come before this committee with considerable pride and tell you that our receipts are up. When the timber market is down, we have to come before you with some hesitation and say that we are not taking in as much money for the Treasury this year as we had hoped.

Senator Dworshak. You of course are subject to the fluctuations which take place in the over all lumber industry.

Mr. McArdle. That is correct. But I want to add one other thing. More than the amount of receipts coming to the Treasury, 25 per cent of which go back to the states and counties, more than that, our concern is with jobs for the people. And in many places in the West, the cutting of timber from private lands and state lands and National Forest lands is a major source of local employment. And when the lumber industry goes into a slump, as it has now, some people think largely because of competition with other materials, then jobs go down, and the local economy suffers.

Senator Dworshak. Along that same line, I want to put the spotlight on the lumber situation in the three Northwestern states of Oregon, Washington, and Idaho, and call your attention to the fact that there is widespread distress, at least in Northern Idaho, in the lumber areas. During the past year, I have been trying to ascertain what is primarily responsible, and I am inclined to think that the increased exports of lumber from Canada are largely responsible.

For instance, in 1960, Canada exported 59 per cent, or 563 million board feet of the total production, while in the United States during 1960 we exported only 2.5 per cent of our total production. So your comparison is between exports of 59 per cent, by Canada, to 2-1/2 per cent of exports by the United States.

Now, you are aware of that situation, in that regard, and probably have tried to do something about it. Can you give us a brief comment on that competition?

Mr. McArdle. It may be that Mr. Cliff will want to comment himself, but there is much to what has just been said. The shipment of lumber from Canada, British Columbia, to the East Coast, has increased quite substantially, and the American shippers, those who ship by boat, are at a disadvantage, because they are required to ship in American bottoms. And the Canadian shipper may shop around and get a cheaper rate. There are other costs which are higher, also.

In inland areas, which are in Northern Idaho, the Canadian shippers are also at an advantage, because they have a special allowance of free time, amounting to about two weeks, on the railroads, which, as I understand it, owing to a Supreme Court ruling, cannot be given to U. S. shippers. And these and other factors have put our U. S. timber mills at a disadvantage. There have been meetings held on this. I think for one thing it would probably require revision in existing legislation, in order to take care of the major reasons -- at least major in my opinion -- for these differences in advantage enjoyed by Canadian and U. S. shippers.

There is no question, though, Senator, but what this is a very serious situation.

Senator Dworshak. Along that same line, do you not think these problems of timber processors to meet this competition make it imperative that appraisal policies encourage sound forest conservation programs and economic incentive to develop and maintain a sound timber economy? Do you not think that this is very vital to help our lumber operators to overcome this terrifically difficult competition?

Mr. McArdle. We have no question about that, Senator. It is, however, a very big question, and one which I cannot dispose of in just a few words.

One of the things which concerns us on this is that in many places there is an over-installed mill capacity in comparison with the amount of timber available, which results in a considerable competition for the available timber.

In the five states where, as I have said, three-fourths of the National Forest timber is sold, bid prices are now 35 per cent above our appraised prices; so that one of the things which troubles us is that if we reduced appraised prices just arbitrarily to one-half of what they are now, the bid prices would still be above, and I suppose that to sell the timber at appraised prices, whatever that may be, would force one of us to in effect play God and decide which mills are going to live and which ones are going to die.

Now, we are not in any sense ignoring this situation, nor the meeting which was held with us and the meeting which was held with the Secretary. We are exploring it fully, without losing any time. Last week we had a meeting of all of our regional foresters to spend a considerable amount of time exploring this whole subject.

I am sorry that I am not going to be able to stay and see this particular project through to completion, but I know that Mr. Cliff is much concerned about it and will keep right at it. Now, he may want to comment in addition, but I have told you how I feel about it.

Senator Dworshak. Thank you very much. Mr. Cliff?

Mr. Cliff. Yes, I would like to add just a little to what Mr. McArdle has said.

One of the suggestions that has been made by the timber industry to help meet this problem of increased competition from Canada is the modification of our appraisals. We are looking into that very carefully. We have had a man in British

Columbia looking into just what they are selling timber for and how they go about making their appraisals. We want to find out whether these statements are based on fact, that our timber is selling for a lot more than their timber. Preliminary results indicate there is not so much difference as has been represented.

Now, as we understand our legal responsibilities, we are supposed to sell timber by competitive procedures at an appraised price. The legal interpretation that has been put on that by our advisors in the Department is that appraised price means fair market prices. Suggestions have been made that we sell at less than fair market price, in order to help the industry over some of these difficulties. We seriously doubt that we have that authority. If the Congress of the United States wants the National Forest timber to be used or to be sold for less than fair market price, it may require additional legislation. As we interpret our authority, we must sell at a fair market price. Our appraisals must be at fair market price. We do not have authority to reduce them below that.

Senator Dworshak. That is determined to a large extent by the competitive bidding on your stumpage sales?

Mr. Cliff. Well, of course, we look at the history of the competitive bidding, but we do not -- We consider that in our determination of fair market price, but we do not rely on it completely, nor do we use the high bids in making our comparisons. We try to use considerable judgment in the way we analyze what is the fair market price.

Senator Dworshak. Well, I hope the Forest Service will, in addition to the other facets of this survey, consider the possibility of timber sale contracts being simplified. I think you have had a lot of complaints from particularly the smaller operators, who believe that it is quite difficult to interpret realistically some of the contracts which you use.

Mr. Cliff. Yes, this is the problem. And of course we are willing to sit down with our purchasers and go over this timber sale contract matter. We did that about seven years ago, and the contract that we are using now is a result of very detailed collaboration with the industry. There have been some changes, not very many, since that time, but we are very willing to sit down with responsible representatives of the industry and to review again the timber contract provisions.

Senator Dworshak. Thank you for that assurance.

I want to explore very briefly another aspect of some of the problems, so far as the revenue is concerned, for the states and the taxing areas, which embrace some of the U. S. Forest lands. You know, of course, that reductions are made in stumpage prices for building access roads by the contractor, and in taking care of the slash and other activities, which are required by law.

I want to call your attention to the bill I introduced last year, which would have required that 25 per cent of the gross sales of stumpage be turned over to the states, rather than 25 per cent of the net. As you realize, the net gets down to a very low figure. Are you also giving consideration to that situation?

Mr. Cliff. Of course, one of the big factors in this problem you have pointed out is the matter of roads. That is one of the things that costs the most. And whenever we have to rely on the timber operator to construct the roads, we do make a deduction, an allowance, in the appraisal, for the cost of that road. And the net result is that the stumpage is appraised at a lower value, the receipts are less, proportionately, and the county's share is less.

Now, if we had enough money to build the main line roads that we should be building, the result would be that it would reduce the operator's requirements for working capital, and I think it would improve competitive bidding, and it would increase the county's returns.

On some of the other items, we believe that such things as slash disposal, erosion control, and putting the ground in shape to produce another forest crop, is a legitimate cost, operating cost, in harvesting timber. It is just one of the things that needs to be done; like the farmer has to spend some money in plowing his fields and getting them ready for the next crop. It is a part of the cost of producing timber; and our position on that is that these costs -- the counties are not really entitled to 25 per cent of those costs. I would say, though, that this is the kind of work which requires local labor, and the money which is being used for these activities, the great bulk of it, is going into payrolls, which do help the local economy. It is very important in some places. It provides labor for more people. And if we do not do these things, we would have to reduce the amount of timber we could cut, and the allowable cuts would be less, if we do not get these lands promptly back into production. So in the long pull, this is a good investment, not only for the Federal Government, but it is a good investment for

your local governments. I know that does not help pay the teachers' salaries this next month, but it is still a good investment for the local people.

Senator Dworshak. I think you have presented some logical observations on that particular problem, and I assure you that the main difficulty, as pointed out by county and other tax units, is that there is no tax base for U. S. property. And of course that is a serious handicap, as you well know.

I wanted to point out that in your budget for 1963, you are asking for \$37-1/2 million for forest roads and trails, an increase of \$2-1/2 million over 1962, and considerably more than the average of about \$30 million, which you received for this program in past years. That will help materially, along with the \$2 million which you are asking for the access road program?

Mr. Cliff. Actually, our budget is for more than that, and I think Mr. Greeley should comment on that. He is handling that program now. We are asking for more than \$37-1/2 million.

Mr. Greeley. Senator, the budget request is for \$37-1/2 million, which is all that remains of the authorizations which have previously been made for fiscal 1963. But there was included as part of the submission in connection with the budget a proposal or a statement that there would be a request to increase the fiscal 1963 authorization from \$40 to \$50 million, and that if that increase in authorization is granted, then it would be followed by a further request for money to implement the action program that could result.

Senator Dworshak. I wanted to ask also about a situation that is quite bothersome in Idaho. I think it comes under your supervision, Mr. Greeley.

In Idaho, we have some very valuable recreation sites in National Forests which do not have very much merchantable timber. Our roads are needed for watershed management, grazing programs, and fire protection, as well as for recreational use, such as picnicking, fishing, and hunting. Now, is there any thinking along the line that these recreational needs can be met in U. S. Forest areas by helping to build access roads?

Mr. Greeley. Senator, our problem in meeting that need has been a part of the overall problem of meeting needs for roads. There is such a tremendous backlog of needs for road mileage, both for the uses that you have cited and for extensive needs for fire protection; as well as for the removal of the harvest of our timber crop. The kind of thinking that we have been giving to this, sir, is in the direction of the total dollar values, for instance, that are included in the development programs for the National Forests, in which we undertook to forecast the levels which would be necessary to have a program which is adequately going forward to meet these needs on a broad front.

Senator Dworshak. There is considerable validity in the point that areas that do not have merchantable timber but have other great potential uses are deserving of consideration when it comes to building these roads?

Mr. Greeley. Very much so, yes.

Senator Dworshak. Can someone very briefly give me a report on the recreational development adjacent to the Palisades Reservoir on the South Fork of the Snake River?

Mr. Cliff. I would be glad to do that.

Senator Dworshak. Just very briefly. Are you making good progress?

Mr. Cliff. Yes, we are. We are making good progress, and we are quite proud of what we are doing there. As you know, this was a reclamation project, and the lands on that reservoir that were purchased by the Reclamation Service have been incorporated in the two adjoining National Forests. This is one of the few exceptions where we did get some funds through the Reclamation Service for planning and for some additional development, and we are moving ahead with campground construction and some summer home installations and making very sound progress on that project. I think it is going to be one that we can be proud of and that your state can be proud of.

Senator Dworshak. You have funds in this budget to continue the development of that recreational area?

Mr. Cliff. Yes, sir.

Senator Dworshak. Mr. Chairman, I would like to take just a few more minutes and I appreciate your patience, to get something in the record on the outlook for pest control. I know in Idaho within the past couple of years we have had an outbreak of beetles and moths, and I know that in various other areas you have budworms and some of the other pests which destroy the timber to such an extent that it becomes more subject to the inroads of fire, particularly, and fire hazards have been

increased greatly in the past few years. What is the situation currently on pest control?

Mr. Swingler. Senator, I will answer that. We are faced today with probably the largest number and intense epidemic of pests that we ever have had before in our history. We think it is on account of the drought that has hit the West over the past few years. We have asked for an increase of \$1,300,000 in this budget; and, Mr. Chairman, we also have before the Congress a request for a million dollar deficiency for this year.

We think possibly we got a break this year in the weather. The drought was broken in a great many areas in the West, and we got a lot of cold weather out there. So possibly the bugs above the snow line have been reduced. We are hoping. But we will not know until next spring. But on the basis of our surveys, we believe that the million dollar deficiency which is now before the Congress, with the \$1.3 million increase in this budget, by the end of next fiscal year we will be abreast of the pest situation in the United States.

Senator Dworshak. Have you had any new outbreaks recently?

Mr. Swingler. Not since last fall. We have both the bark beetle and the spruce budworm, which is going from Montana clear down into New Mexico.

Senator Dworshak. You are doing more effective work now, are you not, by using airplanes in the application of chemicals?

Mr. Swingler. We have always used airplanes, of course, on the spruce budworm, but we are doing much more effective work in the white pine blister rust through the use of airplanes and the use of actidione. We are pretty well along with our work, and pretty well abreast of our work on white pine, especially in Idaho. We have not had nearly as much success with our actidione and other antibiotics in the East and other areas. We are working on that.

Just one thing about Northern Idaho: About ten years ago we abandoned to the blister rust about a million acres of white pine, because we just did not have the knowledge to take care of it. We did not know how to stop the rust after it once got into the tree. All we could do was keep it from spreading from one tree to the other by the elimination of the ribes. Now by these new antibiotics, we can stop the rust after it hits the tree. And we have asked for \$100,000 increase in next year's budget to start working, trying to claim the best of that acreage, even though it has been attacked by the blister rust.

Senator Dworshak. Do you have roads into that area?

Mr. Swingler. Well, in a great many areas we do. But we are attempting now with our new phytoactin to spread it by either fixed wing airplane or by helicopter. So we will not need the roads.

Senator Dworshak. Is any of that million acres embraced within the primitive areas in Idaho?

Mr. Swingler. Yes, some of it was.

Senator Dworshak. How many acres?

Mr. Swingler. I do not have that figure, Senator. I can get it.

Senator Dworshak. When we get the wilderness preservation system established, of course you cannot build roads. You will have to send Mr. Cliff and some of his assistants by plane in there to cope with some of these problems.

Mr. Swingler. Frankly, we are hopeful that eventually we will have it worked out to the point where we will be taking care of practically all of our blister rust by airplanes and helicopters.

Senator Dworshak. I appreciate the fine response to my questions, which are basic to the success of utilizing our U. S. forests, particularly in Idaho, as well as in the other Western states.

And I want to thank you for your patience, too, Mr. Chairman.

Senator Dworshak. You have funds in this budget to combat the development of that pest?

Mr. Cliff. Yes, sir.

Senator Dworshak. Mr. Chairman, I would like to take just a few more minutes and appreciate your patience, to get something in the record on the outlook for pest control. I know in Idaho within the past couple of years we have had an outbreak of beetles and moths, and I know that in various other areas you have outbreaks some of the other pests which destroy the timber to such an extent that it becomes more subject to the insects of fire, particularly, and the hazards have been